

Folsom City Council Staff Report

MEETING DATE:	2/13/2024
AGENDA SECTION:	New Business
SUBJECT:	Direction on the Future of Steam Train Operations at Folsom City Lions Park
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

The Parks and Recreation Department respectfully requests that the City Council provide direction to staff on the future of the steam train operations at Folsom City Lions Park.

BACKGROUND / ISSUE

Folsom City Lions Park, located at 403 Stafford Street, has served as the site for the scale live-steam train railway since 1970. Terry and Geri Gold, dba Folsom Valley Railway, aka Golden Spike Entertainment, acquired the train concession from the previous owner in the early 1990s and have operated as the concessionaire since then. Golden Spike Entertainment owns and operates the complete railway, equipment, and structures apart from the boarding platform that is owned by the City.

In February 2008, staff conducted a Request for Proposals (RFP) for the Scale Live-Steam Train and Snack Bar Concessions (Attachment 1). Two bid packets were received and reviewed. Terry Gold, dba Golden Spike Entertainment, submitted a proposal for both the Scale Live-Steam Train and Snack Bar Concessions, while the City of Folsom Zoo Sanctuary submitted a proposal for the Snack Bar Concession operations only.

Subsequently, at the October 27, 2009, City Council Meeting, Council passed Resolution No. 8572 (Attachment A), authorizing the City Manager to Execute a Train Concession Agreement with Golden Spike Entertainment at Folsom City Lions Park. The Snack Bar Concessions were awarded to the City of Folsom Zoo Sanctuary. The current agreement with Golden Spike Entertainment for the train operations is set to continue through December 31, 2024 (Attachment 2).

Terry Gold, dba Golden Spike Entertainment, plans to relocate and sell the complete railway operation (scale live-steam train, diesel-electric engine, gondolas, tracks, and barn) in early 2024. A prospective buyer has expressed interest in transporting all assets and equipment to Utah. Alternatively, Mr. Gold has extended an offer to sell the complete railway to the City of Folsom for \$375,000.

As part of the proposal, Mr. Gold is providing the City with the flexibility to opt for a payment plan. Under this arrangement, an initial downpayment of \$75,000 in 2024, followed by six (6) annual payments of \$50,000 each subsequent year until the total amount is settled in 2030. Mr. Gold ensures that this payment plan will not incur any interest fees.

POLICY / RULE

All powers of the City shall be vested in the City Council except as otherwise provided by the City Charter. Section 2.02 of the City Charter.

ANALYSIS

Folsom Valley Railway has become a landmark amenity for Folsom City Lions Park and the City of Folsom. The concessionaire pays the City of Folsom a monthly land use rental fee of \$1,800 per month. According to the concessionaire, the train operation is profitable, with roughly 40,000 riders per year, and generates rough net revenues between \$100,000-\$114,000 per year.

To provide a comparative overview of the revenue before and after the onset of the COVID-19 pandemic, the concessionaire has shared gross and net income figures for 2019 and 2022 (table 1). The operating expenses reported by the concessionaire are listed in 2023 costs. Furthermore, it's important to note that pre-pandemic, the train operated six days per week (Tuesday-Sunday), and currently it operates four days per week (Thursday-Sunday).

Table 1:

Gross income	2019	\$168,000.00
	2022	\$130,000.00
Operating Expenses (reflect 2023 costs)		
• State inspections/year		\$755.00
• Insurance/year		\$3,000.00
• Fuel cost for diesel-electric (1.5-gallon red die diesel/day) and steam engine (1.25-gallon red die diesel/hr.)		\$1,330.00
• Chemicals for steam engine (4–5-year supply)		\$220.00
• Oil for steam engine (600 weight super cylinder oil – 2-year supply)		\$95.00
• Miscellaneous parts (currently well stocked)		\$0.00
• Water softener (price per year)		\$360.00

• Security system (price per year)		\$240.00
• Rent to the City of Folsom (price per year)		\$23,603
Net income	2019	\$114,800.00
Net income	2022	\$100,400.00

The concessionaire owns the assets listed in Table 2. All assets are operational. The total and remaining economic life are approximated by the concessionaire.

Table 2:

	Total Life	Remaining Life	Maintenance and Repairs
Steam engine	50 years	45 years	oil and lubricate as needed
Diesel-electric engine	30 years	25 years	once a year oil change
Cattle car	100 years	75 years	grease once every three months
Gondolas	100 years	75 years	grease once every three months
Caboose	100 years	75 years	grease once every three months
Cool water misting system	unknown	unknown	
Train barn	75 years	25 years	paint every five years
Tools	100 years	100 years	none
Water hoses air hoses	25 years	20 years	none
Weed eater	20 years	15 years	change the oil once a year
Track switches	new	75 years	oil once every three months
Gauge bars and rods	50+ years	unknown	
Ballast	100 years	100 years	
Signage	unknown	unknown	none
Retaining walls	100 years	unknown	none

Because staff are not subject matter experts on train specifications, operations, or maintenance, the Department solicited an independent assessment of Folsom Valley Railway by RMI Railworks (Attachment 3). In the assessment of the existing railway and equipment, RMI Railworks, values the present worth of the rail and equipment at \$275,000. It is important to note that this assessment excludes an evaluation of business records, the business name, and gross ridership.

Additionally, in the assessment, RMI Railworks notes that the overall condition of the rolling stock (riding cars and caboose) is in acceptable condition, but the majority will require some wheel replacements moving forward. It was also noted that the track is in acceptable condition and is safe for present operational condition, but some areas will need repair in the future. There are approximately 50 wooden ties in need of replacement due to deteriorated condition, and several places where tree roots have grown under the tracks and are beginning to lift the rail sections.

The concessionaire has proposed selling the railway to the City of Folsom for \$375,000. At this point, the price has not been further negotiated. In consulting with different vendors, preliminary estimates suggest that procuring a new railway and tracks for the area would likely range between \$500,000-\$575,000.

Staff are asking for direction from the City Council at the February 13, 2024, meeting as to which of the below options they would like the Department to pursue. Department staff also welcome input from the City Council as to other possibilities that may not have been considered.

1. Further evaluate options to purchase and operate the Folsom Valley Railway. This option would allow the City to have direct control over ticket prices and generate additional revenue, with the potential for higher profitability. A percentage of the net revenue generated would be used to offset the deferred maintenance of the train and facilities and assets within the Department.

Additionally, in consulting with other zoos and parks with train operations, the majority have employees who are skilled engineers or trained operators running the train, and maintenance staff proficient in maintaining the engine and tracks (Attachment 4). To ensure efficient and safe train operations, the Parks and Recreation Department would adopt a similar model, requiring the development and allocation of two new full-time train engineer or train operator positions filled by individuals capable of running and maintaining the train and tracks.

There are no funds allocated for the purchase of a scale live-steam train, or new train engineer/operator positions in the FY 2023-24 adopted Budget.

2. Further evaluate options to purchase Folsom Valley Railway and solicit a Request for Proposal (RFP) for the train operations and maintenance. Similar to the first option, this approach maintains the City's oversight over the operation without necessitating the creation of new in-house positions. By partnering with an established entity, the City can harness the expertise and resources of external professionals to ensure efficient and successful train operations. This approach mitigates the need for extensive training and recruitment efforts within the Department and streamlines the operational aspect.

There are no funds allocated for the purchase of a scale live-steam train in the FY 2023-24 adopted Budget.

3. Decline the purchase and further evaluate options to solicit a Request for Proposal (RFP) for a new Scale Train and Railway. This would allow the City to explore other potential entities interested in operating their own Scale Train. However, soliciting an RFP does not guarantee suitable responses, which could potentially lead to a vacant site for an unknown duration, and potentially decreased attendance at the City of Folsom Zoo Sanctuary.

There is no guarantee of suitable responses to the RFP, which could potentially lead to a vacant site for an unknown duration.

4. Decline the purchase and further evaluate options to convert to another use: A potential option includes converting the roughly 4,000 ft of tracks to a walking path. This option is low maintenance, but it does require an up-front cost and does not generate any additional revenue for the City. Additionally, it could potentially have a negative impact on attendance at the City of Folsom Zoo Sanctuary, and special events held at the City of Folsom Zoo Sanctuary and Folsom City Lions Park.

Alternatively, the City could explore acquiring a different type of train that doesn't rely on tracks similar to the train in use at the Sacramento Zoo or the Roseville Fountains. Although this choice involves an upfront cost (initial estimates for an electric, trackless train range between \$30,000-\$75,000) and regular maintenance and inspections, it eliminates the need for extensive operator training, special licensing, and ongoing track upkeep.

There are no funds allocated for the conversion to a walking path or the purchase of a trackless train in the FY 2023-24 Budget.

After the direction is received from the City Council, staff will provide further research and in-depth analysis to execute the direction accordingly and will report back to the City Council as necessary.

FINANCIAL IMPACT

There is no financial impact associated with this action at this point. The City currently has no funding budgeted for the purchase, operation, and maintenance in the Fiscal Year 2023-24 Budget that acquiring the scale Live-Steam Engine operation would require. Depending on the direction provided by Council further analysis of the financial impact may be required.

ENVIRONMENTAL REVIEW

The recommended action of the City Council is not a project as defined by the California Environmental Quality Act (CEQA) and therefore does not require environmental review.

ATTACHMENTS

- Attachment 1: Resolution No. 8572 and Staff Report dated October 27, 2009
- Attachment 2: Train Concession Agreement with Amendment No. 2 dated December 6, 2019
- Attachment 3: Folsom Valley Railroad Evaluation
- Attachment 4: Scale Railroad Operations Comparison

Submitted,

Kelly Gonzalez, Parks and Recreation Director

Attachment 1

Resolution No. 8572 and Staff Report dated October 27, 2009

RESOLUTION NO. 8572

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A TRAIN CONCESSION AGREEMENT WITH GOLDEN SPIKE ENTERTAINMENT AT FOLSOM CITY LIONS PARK

WHEREAS, Folsom Valley Railway/Golden Spike Entertainment has been successfully operating the Train Concession at Folsom City Lions Park since the early 1990's; and

WHEREAS, staff conducted a Request for Proposals (RFP) for the Scale Live-Steam Train and/or Snack Bar Concessions; and

WHEREAS, Golden Spike Entertainment was the sole Train Concession proposal; and

WHEREAS, the Parks and Recreation Commission recommended extending the Folsom Valley Railway/Golden Spike Entertainment Train Concession Agreement for a five-year base term with the city's sole discretion to renew for another five-years; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom hereby authorizes the City Manager to execute a Train Concession Agreement with Golden Spike Entertainment at Folsom City Lions Park.

PASSED AND ADOPTED this 27th day of October 2009, by the following roll-call vote:

AYES: Council Member(s): Howell, Morin, Sheldon, Starsky, Miklos

NOES: Council Member(s): None


ABSENT: Council Member(s): None

ABSTAIN: Council Member(s): None



Stephen E. Miklos, MAYOR

ATTEST:



Christa Schmidt, CITY CLERK

DATE: October 27, 2009
TO: Mayor and City Council Members
FROM: Parks and Recreation Department
SUBJECT: **RESOLUTION NO. _____ A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A TRAIN CONCESSION AGREEMENT WITH GOLDEN SPIKE ENTERTAINMENT AT FOLSOM CITY LIONS PARK**

BACKGROUND / ISSUE

Folsom City Lions Park has served as the site for the Scale Live-Steam Train and Snack Bar Concessions for over 20 years. Terry and Geri Gold, dba Folsom Valley Railway, aka Golden Spike Entertainment, purchased the train concession from the previous owner in the early 1990's and have since been the concessionaires. The live-steam train, rails, ballast, barn, and antique bell on the boarding platform are owned by Golden Spike Entertainment. The Snack Bar is a city-owned facility; however, all the food equipment is owned by the concessionaire.

At the February 5, 2008 Parks and Recreation Commission (PRC) meeting, the subcommittee recommended and the Commission directed staff to conduct a Request for Proposals (RFP) for the Scale Live-Steam Train and Snack Bar Concessions. The Notice to Concessionaires was advertised in the *Folsom Telegraph* on December 3, 2008, and the January/February 2009 issue of the *Live Steam and Outdoor Railroading* magazine. This magazine is published in Michigan and readership/distribution in nation-wide.

POLICY / RULE

Section 2.36.080 of the Folsom Municipal Code, requires that contract in excess of \$41,750 be awarded by the City Council.

ANALYSIS

Staff received two out-of-state and six in-state inquiries. RFP's were sent to all who inquired. The City received and opened two bid packets on March 2, 2009. Terry Gold, dba Golden Spike Entertainment, submitted a proposal for both the Scale Live-Steam Train and the Snack Bar Concessions. The Folsom City Zoo Sanctuary Division submitted a proposal for the Snack Bar Concession operations only.

Recommendations for the Proposals for the Train and Snack Bar Concessions went to the PRC as an Action Item at the May 5, 2009 meeting. The Commission recommended proceeding with the Folsom City Zoo Sanctuary Proposal for the Snack Bar Concession; and to offer/extend the Folsom Valley Railway/Golden Spike Entertainment Train Concession Agreement for a five-year base term and at the sole discretion of the City, a one-time five-year option to renew.

The current Concession Agreement shall continue through December 31, 2009. The new Train Concession Agreement (Attachment 2) will be effective beginning January 1, 2010 through December 31, 2014. Two items were added to the Train Concession Agreement not included in prior contracts: (1) Use of rodenticide is prohibited on all City property; and (2) Concessionaire shall provide staffing to monitor the tracks during Special Events including, but not limited to, Concert in the Park Series. The other contract deal points will remain the same.

FINANCIAL IMPACT

The payment for the rights and privileges granted for the operation of the train concession is based on a formula. The components of the formula include the last fiscal year Annual Zoo Attendance, the Train Ride Ticket Price (currently \$2.00) and the ratio of historical Zoo attendance to reported Train Patronage (currently 55%). The monthly payment for January 2010 – June 2010 is \$988.41. Over the life of the agreement, the payment will be recalculated every July. The amount will fluctuate minimally depending on any change in any of the components. Anticipated revenue is already included in the FY 09/10 budget.

The financial impact of awarding the Snack Concession to the Zoo Sanctuary Division was favorable. The financial details of the Snack Concession are discussed in a separate staff report, and in summary, result in an estimated \$15,000 increase in revenue to the City.

ATTACHMENTS

1. Resolution No. _____ – A Resolution Authorizing the City Manager to execute a Train Concession Agreement with Golden Spike Entertainment at Folsom City Lions Park
2. Train Concession Agreement

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends that the City Council pass and adopt Resolution No. ____ A Resolution Authorizing the City Manager to Execute a Train Concession Agreement with Golden Spike Entertainment at Folsom City Lions Park.

Respectfully Submitted,

Robert Goss, Parks and Recreation Director

Attachment 2

Train Concession Agreement with Amendment No. 2 dated December 6, 2019

**CITY OF FOLSOM
AMENDMENT NO. 2
TO
TRAIN CONCESSION AGREEMENT**

The Train Concession Agreement ("Agreement") dated as of January 1, 2010, between the **CITY OF FOLSOM**, a municipal corporation, ("City") and **TERRY and GERI GOLD**, individuals, dba Golden Spike Entertainment ("Concessionaire") and as amended on September 30, 2011 is further amended as set forth on Exhibit 1, Amendment to Agreement; and Exhibit 2, Amendment to Exhibit C. (Exhibit 1 and Exhibit 2 are attached hereto and incorporated herein.)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

Date: 12/6/19

City of Folsom,
A Municipal Corporation



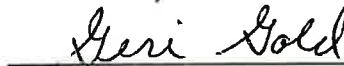
By: Elaine Andersen, City Manager

Date: 12/6/19

Concessionaire: **TERRY and GERI GOLD**,
individuals, dba Golden Spike Entertainment



By: Terry Gold



By: Geri Gold

Approved As To Content:



Lorraine Poggione, Parks and Recreation Director

1-7-20

Date

Approved As To Form:



Steven Wang, City Attorney

1/15/2020


Date

Attests:



Christa Freemantle, City Clerk

Funding Available:



Stacey Tamagni, Finance Director

1/14/20

Date

NOTICE: SIGNATURE(S) ON BEHALF OF CONSULTANT MUST BE NOTARIZED.

A certificate of acknowledgment in accordance with the provisions of civil code section 1189 must be attached for each person executing this agreement on behalf of consultant. California Civil Section provides, at part (b): "Any certificate of acknowledgment taken in another place shall be sufficient in this state if it is taken in accordance with the laws of the place where the acknowledgment is made."



CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Sacramento }

On December 6, 2019, before me, T. D. Frey, Notary Public,

personally appeared Geni Gold and Terry Gold

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

SIGNATURE [Signature]

PLACE NOTARY SEAL ABOVE

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of attached document

Title or type of document: Amendment No. 2 to Train Concession Agreement

Document Date: _____ Number of Pages: _____

Signer(s) Other than Named Above: _____

EXHIBIT 1

AMENDMENT NO. 2

TRAIN CONCESSION AGREEMENT

The Agreement is amended as follows:

A. Section 2. TERM OF AGREEMENT is deleted and the following is inserted in its place:

This Agreement shall continue through December 31, 2024, unless otherwise terminated or extended as set forth in the Agreement.

B. Section 5. HOURS AND DAYS OF OPERATIONS is deleted and the following is inserted in its place:

A. Normal Hours and Days

- (1) Concessionaire shall operate the miniature railroad Tuesday through Sunday, and on national holidays from March 1 through November 30. The hours of operation will be posted at <http://folsomvalleyrailway.com/> and updated by Concessionaire as needed. Concessionaire will post signage of closure for the California State Fair and Sacramento County Fair if Concessionaire intends to suspend Folsom operations during this time. Concessionaire may take a two-month break during the off-season of train concession operations (normally January and February) for making necessary repairs and maintenance. Concessionaire must request and receive written approval of Director seven days prior to any break exceeding seven (7) days not within January-February time frame. The Concessionaire will post the hours of operation with the notation "weather permitting".
- (2) Concessionaire shall operate the miniature railroad on specified dates and times from December 1 through December 30 for the Wild Nights and Holiday Lights Event ("Holiday Lights Event") as per written notification by City on or before September 1 of each year.

B. Special Events

Concessionaire may operate the miniature railroad during Special Events with the following conditions:

- (1) Holiday Lights Event: The Concessionaire will provide staffing for taking train ride tickets as needed. The Concessionaire is responsible for notifying (face-to-face or personal phone conversation) the City every Holiday Lights Event operating day, one-hour prior to opening, as to whether the train will or will not be operating due to weather conditions or unforeseen emergencies. Failure to notify the City about Concessionaire's decision to NOT operate one-hour prior to opening, (a "no-show") will result in a \$100

per night assessment as liquidated damages, to be deducted from the final payment to the Concessionaire. The parties here to recognize and acknowledge that the actual damage due to Concessionaire's no-show is difficult to calculate and likely to exceed the amount of liquidated damage assessed herein, and hereby agree that the amount of liquidated damage represents fair and reasonable remedy for Concessionaire's no-show.

City may authorize Concessionaire to operate during additional new Special Events on a case by case basis. The City reserves the right to modify, add, or cancel Special Events in Folsom City Lions Park.

C. Section 6. FEES is deleted and the following is inserted in its place:

- A. Concessionaire's fee for a train ride shall be \$3.00 upon execution of this Amendment No. 2 to Agreement. All proposed fee increases by Concessionaire shall be communicated to the City in advance and in writing.
- B. Concessionaire recently provided 2,000 complimentary train tickets to the Parks and Recreation Department at no cost to the City for its discretionary use related to other children's recreation programs, camps, and activities. These tickets shall not expire until December 31, 2024. Concessionaire agrees to provide an additional 2,000 complimentary train ride tickets to the Parks and Recreation Department by January 1, 2025 if the five-year option to renew is exercised and these tickets would not expire until December 31, 2029.
- C. The fee for the train ride ticket for the Holiday Lights Event will be set by the City by September 1 each year of the Event. By January 31 of the following year, the City will make payment to the Concessionaire for the Holiday Lights Event based on the following:
 - 1) The standard train ride fare (currently \$3.00) per train rider during the Holiday Lights Event. Ridership will be determined from the Recreation Registration Software, RecTrac.
 - 2) A fee reduction of \$100.00 per night for each "no show" during the Holiday Lights Event.

D. Section 10. PAYMENT is deleted and the following is inserted in its place:

- A. Miniature Railroad
 - (1) Concessionaire agrees to pay the City for the rights and privileges granted herein the monthly concession fee of \$1,800.00.
 - (2) The fee shall be increased each year by an amount equal to three (3%) of the License Fee in effect for the previous year of the Term, as shown in Exhibit C.

B. Special Events

- (1) Concessionaire agrees to pay the City a flat rent of \$200/night for any special events Concessionaire operates.
- (2) Concessionaire is not required to pay a special event fee for the Holiday Lights Event, except in the case of a "no-show", as noted above.

C. Total Payment

The combined amount shall be paid monthly by Concessionaire on or before the 10th day of each month. A late fee of \$50.00 shall be assessed for each day payment is delinquent after the 10th of the month in which payment is due.

E. Section 21. MISCELLANEOUS PROVISIONS is amended as follows:

A. Independent Contractor is amended by adding the following paragraph:

In the event Concessionaire or any employee, agent, or subcontractor of Concessionaire providing services under this Agreement is determined by a court of competent jurisdiction or the California Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Concessionaire shall further indemnify, protect, defend, and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Concessionaire or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

B. Records and Audits is deleted in its entirety and replaced with the following:

Concessionaire shall, with respect to business done by it pursuant to this Agreement, keep such true and accurate accounts, records, books and data which will show all sales and gross receipts. Concessionaire shall maintain all records for inspection or audit throughout the Term of this Agreement and for a period of five (5) years after expiration or termination of this Agreement. This section shall survive expiration or termination of this Agreement.

G. and H. are deleted in their entirety and replaced with the following:

G. Venue. This Agreement shall be deemed to be made in, and the rights and liabilities of the parties, and the interpretation and construction of the Agreement governed by and construed in accordance with the laws of the State of California. Any legal action arising out of this Agreement shall be filed in and adjudicated by a state court in the County of Sacramento, State of California.

H. Enforceability. If any term or provision of this Agreement is found to be void, voidable, invalid or unenforceable by a court of competent jurisdiction under the laws of the State of California, any and all of the remaining terms and provisions of this Agreement shall remain binding.

The following additional provisions are added to Section 21:

- I. Time. All times stated herein or in any other contract documents are of the essence.
- J. Binding. This Agreement shall bind and inure to the heirs, devisees, assignees and successors in interest of Concessionaire and to the successors in interest of City in the same manner as if such parties had been expressly named herein.
- K. Survivorship. Any responsibility of Concessionaire for warranties, insurance, indemnity, record keeping or compliance with laws with respect to this Agreement shall not be invalidated due to the expiration, termination or cancellation of this Agreement.
- L. Waiver. In the event that either City or Concessionaire shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.
- M. Agreement in Writing. This Agreement, with exhibits, contains and embraces the entire agreement between the parties hereto and neither it nor any part of it may be changed, altered, modified, limited, or extended orally or by any agreement between the parties unless such agreement be expressed in writing, signed, and acknowledged by City and Concessionaire, or their successors in interest.
- N. Other Provisions. The City may, but shall not be obligated, to promote the Concessionaire's train operation through the Parks and Recreation Department newsletter and other media channels when there is opportunity to do so. Concessionaire will not use the Zoo Sanctuary phone or City facilities for business or personal purposes.
- O. Authority to Execute. The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.
- P. Counterparts. This agreement may be executed in one or more counterparts, each of which shall be deemed an original, and will become effective and binding upon the parties at such time as all of the signatories hereto have signed a counterpart of this Agreement. All counterparts so executed shall constitute one Agreement binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the same counterpart.

Except as amended herein, all other provisions of the Agreement and any previously approved amendments thereto remain in full force and effect.

EXHIBIT 2
AMENDMENT NO. 2 TO EXHIBIT C
TRAIN CONCESSION AGREEMENT

Exhibit C is added to the Agreement as follows:

Exhibit C

<u>Year</u>	<u>Monthly Fee</u>	<u>Total</u>
2020	\$1,800.00	\$21,600.00
2021	\$1,854.00	\$22,248.00
2022	\$1,909.62	\$22,915.44
2023	\$1,966.91	\$23,602.90
2024	\$2,025.92	\$24,310.99
2025	\$2,086.69	\$25,040.32
2026	\$2,149.29	\$25,791.53
2027	\$2,213.77	\$26,565.28
2028	\$2,280.19	\$27,362.23
2029	\$2,348.59	\$28,131.10

Attachment 3

Folsom Valley Railroad Evaluation



ROLL MODELS

174 LAMBERT ST, OXNARD, CA 93036 - TEL 805-389-9065

Folsom Valley Railroad evaluation

Location: 50 Natoma St. Folsom
Behind Folsom Library/ Zoo Park area

Purpose: RMI made a site visit to the Folsom Valley Railroad on October 6, 2023 for the purpose of evaluating the installation of the railroad and its equipment, as requested by the Folsom Park and Recreation District.

Contact: Elizabeth Vaage

Presently operating is a 12" gauge railroad supplying paid rides to local residents as operating on a noted schedule. Cost of rides is approximately \$3.00 per person.

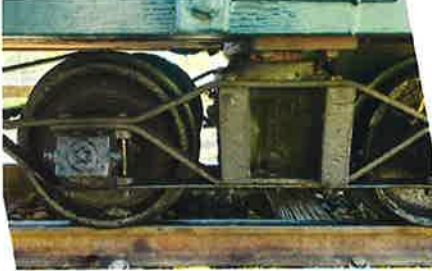


Equipment:

1. **Atlantic type 4-4-2 steam engine:** 12" gauge, condition recently refurbished, running gear, bushings were tight, wheel wear minimal, equipment operated correctly. Boiler was represented as re-tubed, however unable to be determined present condition, as no current boiler inspection/pressure report was available on site. At the time of inspection the boiler appeared completely functional, operated correctly, injectors and relief valves operated correctly upon maximum steam pressure. Running operation of locomotive appeared to be completely functional and operating in a normal fashion.

Overall condition: Very acceptable, safe for present operational condition.

2. **Rolling stock:** 12" gauge, 4 riding cars and 1 Caboose. Riding cars (1) recently refurbished with new wheel sets and bushing/bearings, and paint. Remaining cars and Caboose were serviceable, however showed extensive wheel wear in need of replacement going forward.



Overall condition: Acceptable, safe for present operational condition, excluding future needed repairs as noted.

3. **F series Diesel locomotive:** 12" gauge unable to view at time of inspection. Locomotive within the past few months had a new diesel engine and operational controls were installed from photos supplied by Terry Gold, engine appears in good condition. Unable to determine condition of the running gear from the photos presented.

Overall condition: Appears acceptable, safe for present operational condition as represented.



4. **Track:** 12" Gauge. Track length is approximately 4200 running feet consisting of 12 lb rail using wooden tie material with 3 mainline switches in place. Presently the overall condition of the track is in acceptable condition, however does require maintenance in several areas. The entire length of track was walked, required repairs are: up to approximately 50 wooden ties need replacement due to deteriorated condition.



Railroad Crossing for Zoo Access was damaged by a vehicle, rail/ties and cement crossing needs replacing and is not serviceable to operate on. Noted in several places, tree roots have grown under the track and are beginning to lift the rail sections that causes a wave like condition in the track and will require root removal going forward.



Root 1

Overall condition: Acceptable, safe for present operational condition, noted repairs needed in the near future.

The installed railroad is very unique and specialized for the location. 12" railroad products are not common in the marketplace and equipment is very limited. Repair parts and services in general are commonly available and are not unique to the gauge of the equipment. Present cost evaluation as to the value of the equipment is difficult for the comparison process due to the gauge.

Estimated value of used equipment based on comparable 15" gauge equipment, adjusted for 12" size:

Steam locomotive:	\$100,000
Riding Stock:	\$15,000
Diesel locomotive	\$ 60,000
Installed Track	\$100,000

Total estimated present value of equipment and installed rail in place: \$275,000

Consideration factors

The exiting railroad is presently an installed and operating venue and is widely known to the area as well as outside area residents and appears to have a large following. The cost per ride charged for ride is \$3.00, this is substandard to normal rates in this type of venue. Normally \$5 to \$7 dollars per rides are very common place.

If the City operates this venue it is strongly recommended not to operate the steam engine on a regular basis, as the cost of operation and safety concerns should be a strict consideration. Operation of the steam engine requires an experienced operator familiar with steam, and maintenance of the equipment, whereas the diesel should be considered the main operational locomotive on the railroad. Steam operators are available from the area, such as qualified members from the Sacramento Live Steamers, who run steam on a regular basis.

Respectfully,

William Dundas
RMI Railworks

Attachment 4

Scale Railroad Operations Comparison

Attachment 3: Scale Railroad Operations Comparison

	Type of Train	Own railway / Concessionaire	Train Operations	Engine and Track Maintenance
Irvine Regional Park	Propane 24" gauge track	Owned by Irvine Regional Park	Irvine Regional Park employees - trained engineers and conductors	The train engineers and conductors perform light maintenance on the train and tracks. The park has additional maintenance crew who help with larger scale maintenance and repairs.
Griffith Park Train Rides	5 locomotives, all propane powered 18.5" gauge & 16" gauge track	Concessionaire (partners with the City of Los Angeles Parks and Recreation)	Concessionaire runs the train.	Concessionaire performs all maintenance and most repairs.
Oakland Zoo	Gasoline 24" gauge track	Owned by the Oakland Zoo	Zoo employees	Zoo maintenance crews perform train maintenance, and a mechanic is on site at all times the train is running.
Sacramento Valley Live Steamers	7.5" scale train	Non-profit business owns railway and some of the trains; individual club members own some trains.	Volunteers/club members	Volunteers/club
San Francisco Zoo	Steam (retrofitted to run on natural gas) 22" gauge track	Owned by the San Francisco Zoo	Zoo employees - trained engineers who are part of a union shop	Zoo maintenance crews perform basic train maintenance. Sometimes the engine has to be sent off-site for repairs (no backup available).
Santa Ana Zoo	48 volt electric DC motor 14" gauge track	Owned by the Friends of the Santa Ana Zoo (non-profit)	Zoo employees	Zoo employees
Santa Barbara Zoo	Diesel engine	Owned by the Santa Barbara Zoo	Zoo employees	Zoo employees